

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 AGRE-00 CIAE-00

COME-00 INR-07 LAB-04 NSAE-00 SP-02 STR-04

TRSE-00 FRB-03 OMB-01 L-03 ITC-01 /069 W

-----025847 240217Z /64

R 240116Z AUG 77

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 5927

INFO AMEMBASSY BRUSSELS

USMISSION GENEVA

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USEEC

GENEVA FOR PHELAN

E.O. 11652: N/A

TAGS: ETRD, EEC, KS

SUBJECT: KOREA-E.C. TEXTILE QUOTA DISCUSSIONS

REF: SEOUL 6979

1. U.S. TEXTILE TEAM VERY DISTURBED IMPLICATIONS PARA 3 REF-TEL. IT IS ONE THING FOR E.C. TEXTILE NEGOTIATORS TO BE QUOTE VERY TOUGH UNQUOTE IN INSISTING ON STABILIZATION OF IMPORT LEVELS. BUT IS QUITE ANOTHER FOR THE E.C. TO DEMAND BOTH A ROLLBACK TO 1976 LEVELS AND THEN A FURTHER REDUCTIO OF 10 PERCENT UNLESS THE E.C. ALSO PORPOSES TRUE VALUE COMPENSATION ELSEWHERE WITHIN ITS BILATERALS. SUCH A HARD LINE WILL NOT ONLY CAUSE PROBLEMS WITH MFA RENEWAL LATER THIS YEAR, BUT WILL ALSO CAUSE GREAT DIFFICULTIES TO USG IN ITS RELATIONS WITH U.S. DOMESTIC INDUSTRY. FURTHER, SUCH A POSITION FLIES IN THE FACE OF WHAT TRAN TOLD U.S. TEXTILE TEAM, AMONG OTHERS, IN GENEVA. INDEED, TRAN TOLD SMITH PRIVATELY HE DOUBTED HE

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COULD EVEN GET STABILIZATION AT 1976 LEVELS.

2. IF DEPARTMENT AGREES, TEAM BELIEVES IT WOULD BE MOST USEFUL, IF USEC BRUSSELS HAS THE OPPORTUNITY, TO DEXPRESS OUR GROWING CONCERN WITH SUCH A HARD-NOSED E.C. POSITION. WE RECOGNIZE E.C. NEGOTIATORS HAD TODO A BIT OF POSTURING ON THEIR RECENT SWING ABROAD, BUT DRACONIAN MEASURES SUCH AS THEY ARE REPORTEDLY

PROPOSING (ESPECIALLY THE ADDITIONAL 10 PERCENT WHICH IS NOT IN E.C. MFA MANDATE AND WHICH IS A NEW ELEMENT INTRODUCED SINCE THE JULY MFA NEGOTIATION) IS MORE THAN THE U.S. CAN AFFORD TO REMAIN SILENT TO. AMONG THE POINTS USEFUL TO MAKE WOULD BE THE USG REFUSAL TO SEE BURDEN SHARING SHIFTS, USG OPPOSITION TO BILATERAL NEGOTIATING POSITIONS WHICH THREATEN MFA RENEWAL, AND USG DISTASTE FOR THE E.C. AGAIN RAISING GATT ARTICLE 19.

3. WHILE U.S. TEXTILE TEAM RECOGNIZES WE CANNOT DIRECTLY INTERFERE WITH BILATERAL NEGOTIATIONS BETWEEN TWO OTHER COUNTRIES, WE ALSO FEEL WE CANNOT STAND IDLY BY, BECAUSE OF OUR ORVERRIDING INTEREST TO SEE MFA ENDURE, IF THE E.C. ATTEMPTS TO NEGOTIATE BILATERALS WHICH MAKE A MOCKERY OF THE MFA BOTH IN ITS SPIRIT AND IN ITS LETTER. MFA ARTICLE 4 AGREEMENTS PERMIT TWO COUNTRIES TO NEGOTIATE PRACTICALLY ANYTHING IF IN GENERAL CONFORMITY WITH THE ARRANGEMENT. BUT ROLLBACKS BEYOND REPEAT BEYOND THE 1976 LEVELS AS INDICATED IN REFTTEL, UNLESS ELSEWHERE COMPENSATED IN THE BILATERALS, STRETCH OUT OF ALL POSSIBLE ACCEPTANCE THE LANGUAGE OF THE U.S. SPONSORED (AND E.C. AGREED TO) COM.TEX.2/44 OF QUOTE JOINTLY AGREED REASONABLE DEPARTURES UNQUOTE FROM PARTICULAR ELEMENTS OF THE MFA IN PARTICULAR CASES.

4. COMMENTS FROM U.S. REP TO TSB IN GENEVA WOULD BE WELCOMED.  
STERN

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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
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**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Disposition Remarks:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 77 SEOUL 6979  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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